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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN
ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE
REGIONS**

A Simpler, Clearer and Better Enforced EU Rulebook

The European Union stands at a pivotal moment. It is facing a tense geopolitical environment, economic pressure and threats to security and democracy. At the same time, it is engaged in an urgent effort to tackle the structural barriers that are holding it back and to improve the conditions for supporting a highly competitive, innovative and sustainable social market economy. As part of that effort, we need to ensure a simple, efficient, transparent and enforceable regulatory framework, firmly grounded in the rule of law, and supporting a fully integrated single market. A united Europe that plays to its strengths and maintains a competitive edge is essential. Enforcing EU law in a strategic manner is central to this effort, with particular attention to where it matters most for our people and businesses. The quality and enforceability of EU rules also shape the Union's capacity to act externally and project its standards, thus contributing to the EU's economic security and global influence.

The Commission operates one of the most advanced better regulation systems, as recognised by the OECD¹, combining evidence, impact analysis and broad stakeholder consultation. In parallel, it has taken ambitious steps to strengthen the single market, citizens' rights and fundamental freedoms and to protect the rule of law. Despite this, citizens, businesses and public administrations often face complex, dense or ambiguous legislation at EU or national level. They are also confronted with excessive delays in transposing and implementing EU laws, enforcement challenges, bureaucratic hurdles and unnecessary national over-regulation.

Fragmented, late, or half-hearted implementation of EU law hampers the achievement of the EU's policy objectives, weakens the single market and undermines the EU's competitiveness and resilience. Long-lasting, significant breaches of EU law can also undermine the rule of law, which remains under strain in the current global context. Guaranteeing the rule of law is not only a matter of protecting the EU's values. It is fundamental for legal certainty, predictability and a favourable investment and business environment.

This Communication aims to modernise how EU laws are designed, implemented and enforced, while ensuring they are clear, agile, and fit for purpose, thereby supporting the achievement of One Europe, One Market². By streamlining procedures, strengthening the evidence-base of our proposals, and by ensuring the strict application of proportionality, the EU can support the attainment of its policy objectives, boosting competitiveness, reinforcing legal certainty, and delivering faster and more effective responses to pressing needs. With these goals in mind, the Communication is introducing measures for better implementation and faster enforcement of EU legislation across all policy areas. A particularly strategic focus will be placed on enforcing the single market rulebook.

New EU initiatives should be in line with better regulation principles, including with 'simplicity by design'. They should be accompanied by high-quality impact assessments and contribute to the Union's policy objectives in the most efficient manner. The measures and principles set out in this Communication will be reflected in the better regulation guidelines and toolbox and be implemented gradually, with careful prioritisation of its actions. In turn, existing legislation should be re-examined where necessary, to ensure that it remains relevant and to foster coherence across related pieces of legislation. To that end, this Communication is accompanied by an Action Plan for Regulatory Deep Cleaning aimed to address 12 priority areas.

¹ OECD Regulatory Policy Outlook 2025, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/04/oecd-regulatory-policy-outlook-2025_a754bf4c/56b60e39-en.pdf

² https://commission.europa.eu/document/5445de81-9481-4335-9902-9756159ba614_en

The Commission solicited stakeholders' views on better regulation through a call for evidence³. Some 288 submissions were received from 27 countries⁴. Overall, stakeholders see better regulation tools as essential to the quality of EU lawmaking. They call for these tools to be strengthened and modernised, with more transparency, accountability and legal robustness.

1. SIMPLICITY BY DESIGN

To create a more cohesive and efficient single market, the Commission wants to ensure that new legislative proposals avoid regulatory complexity and fragmentation. Regulatory simplicity and clarity are among the key concerns raised by stakeholders in the call for evidence, who argue that simplicity must be built into laws from the earliest design stages.

A proposal is 'simple by design' when those affected by it can easily understand:

- what the goal is,
- who must do what and when,
- how new rights and obligations interact with existing ones,
- how compliance is achieved, and
- what happens if obligations are not met.

Laws should be clear to ensure that they can be smoothly implemented and applied consistently and predictably, including by public authorities and by the courts. The Commission will seek to apply a 'simplicity by design' principle to its forthcoming legal proposals and calls upon the European Parliament, the Council and the Member States to also adhere to it when exercising their responsibilities.

'Simplicity by design' has several dimensions:

Regulatory discipline

To create a more effective and efficient regulatory framework, it is essential that Europe is able to prioritise and focus on the most significant challenges and risks. Regulatory discipline is a means to ensure that the principles of subsidiarity and proportionality are applied consistently in EU law. In this way, the Union can focus its efforts and resources on areas where EU-level action is necessary, brings the most added value and is proportionate.

We must also show discipline and focus when laying down implementing rules, to prevent EU legislation from becoming too long, complex and costly. In upcoming legislative proposals, the Commission will seek to only propose well-designed empowerments for delegated and implementing acts which are strictly necessary to effectively implement and enforce EU rules or international obligations. We also call on the European Parliament and the Council to apply the same discipline in this respect, throughout the legislative process.

To deepen the single market and strengthen the EU's attractiveness in the global economy, choosing the right legal instrument and degree of harmonisation is crucial. The choice of the

³ Call for evidence, <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/16232-Communication-on-better-regulation>.

⁴ The respondents include business associations (100), NGOs (65), EU citizens (29), companies (22), public authorities (22), 'other' (16), 'trade unions' (12), 'academic/research institutions' (11) 'environmental organisations' (5), 'consumer organisations' (4), and 'non-EU citizens' (2).

legal act must be well founded, based on the Treaties as well as on its aim and content⁵. For issues with a strong single market dimension and where EU competence so allows, a more systematic use of exhaustive regulations⁶ can limit top-up obligations and regulatory fragmentation, including through gold-plating. In those instances, preference should be given to complete harmonisation, with exceptions requiring solid justification.

Future-proof and adaptive regulation

To support innovation and growth, EU and national rules must provide sufficient legroom to adapt to future developments, in a context of increasingly rapid technological and geopolitical changes. This requires designing rules that are innovation friendly, embed anticipatory and long-term considerations, and provide the necessary legal certainty and confidence to invest and operate in the single market. At the same time, the Commission will ensure that rules are re-examined and updated where necessary to adapt to changing circumstances and technological changes.

We will also use sunset clauses where appropriate for laws to lapse on a specified future date. Used together with well-timed monitoring and evaluation clauses, sunset clauses can help prevent the unnecessary proliferation of rules and reporting requirements. They can ensure that laws that are no longer relevant do not linger on the statute books. The language used for sunset, monitoring and evaluation clauses will be standardised and harmonised.

Leaner and more accessible legislation

Furthermore, it is essential for everyone to be able to identify their legal rights and obligations more easily, as well as the related timeline for implementation. The Commission will therefore improve the summaries of legislation available in EUR-Lex⁷ to clearly present rights and obligations and flagging national implementation obligations. We will also: (i) work with the other institutions to make it easier to access EU laws, including by making them machine-readable; (ii) make more consolidated versions of legislation available and do so faster, so that the main legal act and all its subsequent modifications can be read in a single document; and (iii) further develop the European Legal Data Space to ensure easy online access to up-to-date applicable legislation and case law at EU and Member State level⁸. When designing reporting requirements, the Commission will implement the once-only principle and make the sources of information easily identifiable.

The Commission will apply improved standards for drafting the recitals presented at the start of each legislative proposal. They will become more focused on setting out the reasoning behind the legal act and how it is to be interpreted, instead of merely paraphrasing provisions of the act or referencing unrelated policy initiatives or objectives. The European Parliament and the Council can also contribute to streamlining recitals during the legislative process.

⁵ While directives require transposing measures and allow Member States more flexibility in the implementation, regulations are directly applicable and regulate the policy area without requiring far-reaching additional normative provisions in Member States.

⁶ This is the case where EU rules exhaustively regulate the matter governed by the act and contain a full set of provisions that regulate on a self-standing basis.

⁷ EUR-Lex provides access to EU law, including to the authentic Official Journal of the EU, consolidated versions of EU legal acts (texts without legal effect), summaries of legislation and case law. It is a comprehensive online repository of EU law and related documents, enabling users to search, browse and download documents, and track the progress of legislative proposals.

⁸ Commission Communication “DigitalJustice@2030”, COM(2025) 802

To improve the consistency and coherence of the regulatory framework, the Commission will make recourse to established techniques such as codification⁹ and recast¹⁰. Both result in pre-existing acts and their amendments¹¹ being replaced and repealed, contributing to a more cohesive and comprehensible legal framework that is easier for all stakeholders to understand and apply. To facilitate the uptake of these techniques, it is however essential that co-legislators respect their commitment not to re-open other elements of the legislation.

A coherent and leaner legal framework also requires a clear relationship between laws and the elimination of overlaps and redundant provisions. Laws or provisions that apply to specific sectors or activities should complement or replace rather than replicate laws or provisions that apply more generally. Similarly, new rules should address genuine regulatory gaps rather than restate existing legislation. Full consistency, clarity and coherence should be ensured between new and existing provisions.

The Commission will ensure that these principles are applied when preparing new policy proposals, and it will also pursue an effort to review existing legal acts in key areas where regulatory fragmentation has become particularly prevalent, starting with those areas outlined in the Action Plan for Regulatory Deep Cleaning accompanying this Communication.

Realistic transposition and implementation deadlines

People, businesses and governments need time to prepare for new rules and understand how to comply with them. In the call for evidence, stakeholders argued that laws should be designed from the outset with implementation in mind. A critical concern raised in this context was the issue of transition and implementation periods that do not allow for sufficient preparation.

The Commission will pay particular attention to ensure that legislation is designed with implementation in mind from the outset. It will apply the ‘think small first’ principle, keeping the needs and capabilities of small and medium-sized businesses in mind¹².

The Commission will also step up efforts to ensure that transposition and implementation deadlines are feasible and credible, based on realistic estimates of the time required to develop implementing measures and digital tools, and to allow businesses and national authorities sufficient time to adapt. Grandfathering clauses, grace periods, and provisions foreseeing the testing and gradual phase-in of major obligations will be systemically considered when proposing new legislation. The Commission calls on the European Parliament and the Council to equally pay particular attention to this matter throughout the legislative process.

⁹ Interinstitutional agreement of 20 December 1994 on accelerated working method for official codification of legislative texts, OJ C 102, p. 2, [EUR-Lex - 31996Y0404\(02\) - EN - EUR-Lex](#)

¹⁰ Interinstitutional agreement of 28 November 2001 on a more structured use of the recasting technique for legal acts, OJ C 77, p. 1, [EUR-Lex - 32002Q0328 - EN - EUR-Lex](#)

¹¹ In the case of *vertical* codification, an act and its amendments are brought together in a new act; in *horizontal* codification, basic acts covering related matters and their amendments are brought together in a new act. Neither case involves substantive changes. For *recasts*, a new legislative act includes substantive changes and unchanged provisions in a single text.

¹² SMEs should benefit from exemptions from obligations where they pose little regulatory risk and should have access to support measures where they need to comply with rules that are costly or require interpretation. The specificities of small mid-caps should also be taken into consideration where relevant.

Tapping into technological progress

Digital-ready policymaking helps identify the digital aspects of a legislative initiative from the earliest planning stages and embeds their systematic consideration in policy design. This structured approach contributes to a more coherent acquis, smoother digital implementation of policies, and progress in reducing administrative burdens¹³. In addition, cutting edge technologies, including artificial intelligence, can help improve the quality of laws and reduce regulatory discrepancies across legal texts.

In this context, the Commission is developing a new IT tool that will help managing EU laws, including implementing rules, more easily, and identifying overlaps, gaps and unnecessary complexity. In parallel, the EU's electronic legal drafting tool – EdiT – will be further improved as to ensure clarity and consistency in our proposed laws. These actions will make it easier to prepare laws, enhance accessibility and predictability, thereby supporting priorities such as reducing administrative burden. Standard clauses, including provisions friendly to small and medium-sized businesses, will facilitate legal drafting and consistency.

Training and guidance are another way to ensure the legal quality of our proposals and that the 'simplicity by design' principle is well rooted in the policy cycle. To this end, the Commission will invest in promoting in-house specialised legal drafting expertise, through mandatory training programmes and updated guidance for legal drafting. Best practices and the application of these principles will be promoted by a network of legal quality correspondents.

Enforcement by design

'Simplicity by design' will lead to clearer and more accessible obligations for Member States and businesses, facilitating compliance from the outset. EU rules should be easy to implement, monitor and enforce and difficult to abuse or circumvent. This means considering enforcement mechanisms from the outset when producing EU legislation. Embedded monitoring and enforcement tools can be valuable for all types of legal acts, but they are particularly relevant for regulations, which are directly applicable. The mechanisms to be considered will vary, but the following provisions are options that have proven helpful in their given context:

- designating national enforcement authorities and setting out their enforcement powers, possibly in combination with a sufficient degree of harmonisation of sanctions;
- robust fact-finding powers for the Commission in certain areas;
- robust prior notification mechanisms¹⁴ for draft national legislation, with a binding compatibility assessment by the Commission so that identified issues are eliminated before the national measures have been adopted.

Depending on the circumstances of each proposal, the Commission will consider whether these types of 'enforcement by design' provisions could add value and will use them as appropriate. At the same time, the Commission will seek to minimise any burden for the Member States and for itself, within current budgetary constraints, resulting from such arrangements.

¹³ Under the digital-ready policy framework, legislative proposals with digital impacts are accompanied by a Legislative Financial and Digital Statement, <https://interoperable-europe.ec.europa.eu/collection/digital-ready-policymaking/digital-ready-policymaking-dprm-framework>.

¹⁴ This refers to areas and national measures not covered by existing notification mechanisms such as those established by the Single Market Transparency Directive and the Services Directive.

Key actions

- Greater focus on the subsidiarity and proportionality principles as part of **regulatory discipline**, including on empowerments for delegated and implementing acts.
- Prioritising **exhaustive regulations and complete harmonisation** when regulating single market-related matters, where legally feasible and appropriate.
- Regular and well-timed monitoring and evaluation clauses, and use of **sunset clauses** where appropriate, to keep legislation responsive to new developments.
- Greater use of **recast and codification** techniques and ensuring **consistency between sectoral and general legislation** and between **existing and new legal acts**.
- Identifying best-practice **standard terms and provisions**, with standard wording agreed between institutions where possible, and more **focused recitals**.
- Setting realistic **transposition and implementation timelines and consider systematically measures** such as grandfathering clauses or gradual phase-in to facilitate implementation.
- Further developing and using **digital tools**, like the EdiT electronic drafting tool, a new *acquis* management tool, while further enhancing the access point to EU law, EUR-Lex, and further developing the European Legal Data Space.
- Setting up a **network of legal quality correspondents** across the Commission and introduce **mandatory training for legal drafters** based on updated **guidance**.
- More robust **monitoring and enforcement mechanisms** in EU legal acts to ensure **enforcement by design**, including the prevention of incompatibilities with EU law at an early stage through prior notification mechanisms.

2. FURTHER IMPROVING OUR BETTER REGULATION FRAMEWORK

The EU's regulatory framework must swiftly respond to today's challenges, including boosting prosperity and competitiveness, or addressing social, environmental and geopolitical matters. This demands greater focus as well as more agility, rigour, clarity and predictability.

The Commission's better regulation system – governing impact assessments, consultations and evaluations – is widely recognised as an international benchmark for its high quality. This Communication introduces targeted improvements to ensure it can respond more effectively to a broader range of situations. These changes aim to increase both the number and the relevance of impact assessments, secure the strongest possible evidence base when legislative action is urgent, and streamline the sequencing of consultations. This new approach will be effective immediately but implemented gradually until the revision of the guidelines and toolbox.

More and focused impact assessments

In the first year of its mandate, the Commission acted swiftly and resolutely to address some of the most demanding geopolitical and economic challenges in decades. This involved adopting legislative initiatives through urgency procedures, including several simplification proposals¹⁵. While in cases of extreme urgency there may still be need for derogations from certain better regulation standards, the changes outlined in this Communication will enable the Commission to have more initiatives accompanied by an impact assessment¹⁶.

For this to be possible, a more rigorous and structured application of proportionality considerations will be necessary. Impact assessments will focus on what really matters, meaning on assessing key economic, social and environmental impacts of the given proposal. Moreover, a more tailored approach will differentiate between major new legislative initiatives or revisions on the one hand, and more targeted initiatives¹⁷ on the other. Such an approach will establish the necessary evidence and analysis in function of the nature of the initiatives and their expected impacts, including potential external impacts where relevant.

This approach will be reflected in revised templates for impact assessments and evaluations. They will include developing a ‘matrix of key impacts’ from the outset to better focus on impacts that are significant and relevant for each individual proposal. In this way, we will be able to identify the key impacts and essential aspects to be analysed, thus defining the focus of the impact assessment and determining the scope and depth of the analysis. Consideration of costs and benefits will remain a key part of this more focused and concise analysis, with figures, data and statistics playing a prominent role, where available. To the extent possible, the Commission will endeavour achieving these goals making best use of its own internal resources, capacity and expertise.

The more rigorous approach will result in the Regulatory Scrutiny Board performing its quality control on a wider range of assessments supporting policy proposals. Such extended scrutiny, which is widely supported by stakeholders, will also consider the nature and significance of the impacts of each proposal. For major proposals, the Board will continue issuing qualified opinions¹⁸ while for other more targeted initiatives, it will issue recommendations for improvement that will be transparently communicated and taken into account. This will result in improved quality of evidence for proposals not currently scrutinised by the Board.

Minimum requirements for accelerated pathways

A situation of urgency arises where swift EU action is needed to avert significant harm, fulfil legal obligations or seize a critical opportunity. The European Ombudsman has issued recommendations¹⁹ concerning the way in which the Commission supports urgent proposals with evidence. The use of urgency procedures was also raised by respondents to the call for

¹⁵ These included Omnibus legislation, which is a single legislative act amending multiple laws.

¹⁶ An impact assessment is not necessary for all legislative proposals, better regulation toolbox, TOOL #7. What is an impact assessment and when it is necessary, https://commission.europa.eu/law/law-making-process/better-regulation/better-regulation-guidelines-and-toolbox/better-regulation-toolbox_en.

¹⁷ Targeted initiatives are those that do not significantly alter the policy objectives of existing legislation and propose changes that aim to optimise its effectiveness and efficiency.

¹⁸ i.e. positive opinion, positive opinion with reservations, negative opinion.

¹⁹ Joint recommendations for inquiries 983/2025/MAS, 2031/2024/VB and 1379/2024/MIK

evidence. While respondents acknowledge that genuine emergencies may require accelerated procedures, a consultation and assessment should still take place, to the extent possible.

Responding to the European Ombudsman's recommendations and stakeholder concerns, the Commission will assess the time-sensitivity of each situation and the possible detrimental consequences of delayed action to distinguish urgency from routine expediency. When doing so, it will consider parameters such as:

- the existence or anticipation of shocks or crises, including in the Union's external relations;
- potential consequences in the absence of immediate action;
- legal deadlines; and
- political context creating a need for urgent action.

Even in cases of urgency, the Commission will strive to achieve the best possible evidence base. Where feasible, the Commission will prepare an impact assessment for urgent initiatives with expected significant impacts. This assessment will then be subject to a review by the Regulatory Scrutiny Board. The Board will account for the required timelines and issue recommendations informing the decision-making process, ensuring that the proposal benefits from its scrutiny, while recognising the constraints imposed by the need to act urgently.

To maintain meaningful stakeholder engagement under the accelerated procedure, the Commission will, in principle, consult the public in the form of a call for evidence. This will provide businesses, citizens, civil society, public authorities and other stakeholders with an opportunity to contribute to shaping the initiative. Targeted consultations with diverse stakeholders may also be carried out, possibly including implementation dialogues or reality checks, to gather practical insights and ensure that the proposed measures are effective, efficient and implementable.

In exceptional circumstances, where the need for urgent action is so acute that proposals must be adopted within an extremely compressed timeframe, the Commissioner responsible for better regulation may grant derogations from the usual procedural standards indicated above. These will only be considered where the particular urgency is clearly demonstrated.

In such exceptional circumstances, the Commission will ensure that an analytical staff working document is prepared to accompany the proposal or is published as soon as possible, no later than three months after the proposal is adopted. This document will include as a minimum:

- a definition of the problem;
- the approach identified to address the problem;
- an assessment of the proposal's key impacts, including cost-benefit analysis and a climate consistency assessment.

The urgency assessment and all derogations will be duly documented, recorded in a transparent manner and reported in the explanatory memoranda of the proposals. This approach strikes a careful balance between the need for urgent action and the imperative of ensuring that better regulation standards are as high as possible in all circumstances.

A smarter and more flexible consultation system

The Commission consultation system is comprehensive and widely lauded – it systematically scores highest in OECD rankings²⁰. The range of consultation tools has further expanded recently with the addition of implementation dialogues or reality checks²¹. While the Commission consultation system is highly performant, stakeholders have signalled concerns over the duration of consultations, overlapping consultations, repetitive requests for information and insufficient feedback.

To address these concerns, the Commission will integrate the various consultation instruments better, avoiding duplication and continuing to ensure maximum accessibility to all citizens and stakeholders. While each consultation instrument serves a purpose and may address a somewhat different audience, the array of instruments at the Commission's disposal should not result in repetitive calls for the same input from the same stakeholders.

We will strive to consult the public only once on the same initiative, either through a call for evidence or using a questionnaire, complemented with targeted consultations as necessary, seeking diverse views and inputs and the participation of a varied set of relevant stakeholders. A streamlined call for evidence document will focus the information requested on key aspects so that stakeholders can more easily provide meaningful contributions.

The overall timing of consultations will also be optimised. As requested by many stakeholders, the Commission will, whenever possible, avoid counting the main holiday periods as part of the overall consultation time. When other public and/or targeted consultations are carried out for the same initiative, the 12-week long standard timeframe for public consultation questionnaires may be reduced by up to six weeks.

The Commission will also inform stakeholders directly when the summary of the responses to the consultations becomes available on the 'Have Your Say' portal. Such automated notification mechanism will enhance transparency and enable participants to easily access the results of the consultation.

In addition, we will better involve Consultative Committees and their networks, such as the Network of Regional Hubs, in consultations activities, by facilitating their participation and providing feedback on their contributions.

Assessing significant amendments

During the legislative process, the European Parliament and the Council may make substantial amendments to the Commission's original proposals. In practice, the institutions proposing those amendments do not assess their impact, despite their commitment to do so 'when they consider this to be appropriate and necessary for the legislative process'²². Without such assessments, the analysis of the expected impacts of a law becomes incomplete and potentially

²⁰ OECD Regulatory Policy Outlook 2025, see Figures 2.1 and 2.2 on stakeholder engagement in developing primary laws and subordinate regulations, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/04/oecd-regulatory-policy-outlook-2025_a754bf4c/56b60e39-en.pdf.

²¹ These tools have played a successful role in the Commission's simplification agenda, contributing to stress-testing existing legislation as well as to preparing omnibus and other simplification proposals.

²² Interinstitutional agreement of 13 April 2016 on better law-making, OJ L 123, p. 1, [EUR-Lex - 32016Q0512\(01\) - EN - EUR-Lex](#). While in the past the European Parliament carried out some such assessments, this is no longer the case. The Council, on the other hand, has never done so.

misleading, thus possibly resulting in higher burdens or unexpected difficulties in implementing legislation.

To improve this situation, the Commission is proposing a coherent, pragmatic and collaborative approach, based on three strands for common work among the institutions.

First, the institutions should work towards a shared understanding of what constitutes a substantial amendment. Examples of a substantial amendment might include expanding the scope of a proposal to cover micro-companies or SMEs, or measures likely to result in additional compliance costs, new reporting requirements for businesses or administrations, or additional public expenditures. A joint set of parameters would enable the European Parliament and the Council, to identify and assess their substantial amendments.

Second, once a substantial amendment has been identified, the institution putting it forward would provide an assessment of impacts and quantify costs or savings using a simple cost calculation method. For administrative costs or savings, the ‘standard cost model’ would make it easier to calculate and report such costs and savings.

Finally, the impacts of such substantial amendments could be presented in a concise template. This would include elements such as a general description, expected additional costs and benefits, affected stakeholders, impact on competitiveness and on innovation.

Key actions

- A **wider range of initiatives** with significant impacts, accompanied by an **impact assessment** and scrutinised by the **Regulatory Scrutiny Board**.
- More **focused impact assessments**, based on an initial **matrix of key impacts** and a more **proportionate** approach.
- **Minimum requirements** for **urgent initiatives** under **accelerated pathways**.
- A simplified **call for evidence** to focus on key information for stakeholders.
- Optimised and more flexible **consultation timelines**, taking account of **holiday periods**.
- More **integrated** and **flexible** deployment of different **consultation tools** to avoid consultation fatigue and access a wide variety of views and inputs.
- Direct automated **notification** to respondents of consultation summaries.
- Updating the **better regulation guidelines** and the **impact assessment and evaluation templates** to reflect these improvements.
- Continued work with the co-legislators to develop and implement a **common methodology** so that **each institution assesses its substantial amendments**.

3. REGULATORY DEEP CLEANING

The body of EU law has grown over time. This reflects the EU's increasing responsibilities, its role in furthering the single market, and the ever more demanding and complex issues it is called on to address. In many instances, EU legislation is replacing 27 different sets of national rules. However, the sheer size and density of EU law, and the interaction between EU legislation with national law, can result in unnecessary complexity, repetitive compliance burdens and potential inconsistencies. The accumulation of rules has become an issue across most developed jurisdictions²³.

Stakeholders have consistently argued, including in the call for evidence, that simplification efforts must extend to reviewing and consolidating existing measures. While new legislation remains essential to address emerging challenges and update our rules, it is equally important to manage the existing stock of rules to improve its clarity, consistency and coherence.

In 2025, the Commission proposed ambitious simplification measures, building on its Communication for a simpler and faster Europe²⁴. Ten omnibus packages and other simplification proposals should, once adopted by co-legislators, result in at least EUR 15 billion recurring cost savings for businesses and administrations. That momentum is being sustained, with several new omnibus proposals in development and additional simplification measures under way. More than half of the legislative initiatives in the 2026 Commission work programme will contribute to making EU law lighter, clearer and easier to implement²⁵.

In addition, a review of delegated and implementing acts has led to approximately 30% of planned acts for 2026 being deprioritised. This will help ensure that secondary legislation achieves its objectives, remains proportionate and focuses in areas where EU action delivers the greatest added value.

An Action Plan for Regulatory Deep Cleaning

Each Member of the College is responsible for carrying out a comprehensive screening of the legislative stock under his or her responsibility, to assess whether it remains relevant and fit for purpose. This is an integral part of the stress-testing set out in the Commission's Political Guidelines and the Commissioners' mission letters²⁶. The screening of legislation looks at all policy areas and it also includes delegated and implementing acts.

To ramp up these efforts and give them greater priority, the Commission is launching an Action Plan for Regulatory Deep Cleaning. This Action Plan focuses on 12 areas, set out in Annex 1. They will be examined as a matter of priority in 2026 and 2027, with the aim of reducing complexity and fragmentation to improve their effectiveness and efficiency.

The 12 priority areas – free movement of goods and services, financial services, customs, taxation, health and food safety, agriculture, transport, energy, climate, environment, digital, housing and permitting – have been selected based on internal analysis of implementation challenges and on stakeholder input, including in implementation dialogues and reality checks.

²³ OECD Economic Outlook, https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2025-issue-2_9f653ca1-en.html

²⁴ A simpler and faster Europe: Communication on implementation and simplification, COM(2025) 47

²⁵ 2026 Commission work programme, COM(2025) 870

²⁶ Europe's choice: Political Guidelines for the next European Commission 2024-2029

The deep cleaning is expected to result in legislative or other measures that address outdated provisions, overlaps, inconsistencies or redundant requirements creating unnecessary burden. It will also foster consolidation in areas characterised by high regulatory fragmentation, and may lead to the withdrawal of individual Commission proposals, in cases where these might no longer reflect current realities or where progress among the co-legislators has stalled.

Examples of possible measures include harmonisation, digitalising processes, streamlining fragmented rules, reducing reporting obligations and leveraging digital tools to cut red tape. The Action Plan seeks to foster transparency and predictability, ensuring EU laws are fit for purpose while reducing compliance costs for businesses, public administrations, and citizens.

To give the necessary impetus to this regulatory deep cleaning, the College of Commissioners will regularly review progress on the implementation of the Action Plan. The progress will be part of the Commission's annual reporting on simplification, implementation and enforcement.

The Simplification Platform – a new high level expert group

These regulatory deep cleaning efforts will be supported by a high-level stakeholder group, the Simplification Platform²⁷. The new group²⁸, will bring together national, regional and local authorities, the Committee of the Regions – supported by the Network of Regional Hubs –, the Economic and Social Committee, social partners, businesses, and civil society organisations. Participants will make suggestions on how EU rules and their implementation can be made simpler and easier to apply for the public, businesses and administrations, keeping track of progress and emerging needs.

Key actions

- Carrying out a **regulatory deep cleaning** as set out in the attached action plan.
- Seeking further input from stakeholders to identify implementation challenges and simplification potential, including through **consultations, implementation dialogues** and **reality checks**.
- Setting up a new high-level expert group – the **Simplification Platform** – to support simplification and burden reduction efforts.

4. TACKLING REGULATORY GOLD-PLATING

Barriers to the single market can stem from national policy choices, divergent administrative procedures, lack of administrative capacity or unequal digitalisation. While not always contrary to EU law, such obstacles hinder the smooth functioning of the single market, sometimes unintentionally. In turn, barriers to the single market undermine prosperity and resilience.

A significant barrier of this kind is regulatory gold-plating²⁹. This is where a Member State, when transposing or implementing EU law in a given policy area, introduces a wider scope,

²⁷ This new group will build on the work of the Fit for Future Platform, which operated between 2021 and 2024.

²⁸ C(2026) 8000

²⁹ Gold-plating has been identified as a barrier in the 2025 Single Market Strategy, COM(2025) 500.

stricter rules or obligations that go beyond the requirements set by the EU legal act³⁰. Creating more burdensome procedures than what is necessary to implement the EU law can also be considered gold-plating.

Even where these practices do not amount to an infringement of EU legislation, they tend to have a detrimental effect on the single market and hamper business operations, including at national level, or unduly affect the rights of individuals. They can also lead to uneven conditions for businesses and higher compliance costs, undermining Europe's entrepreneurship, innovation and ultimately its competitiveness. Moreover, gold-plating risks blurring responsibilities, as economic actors may hold the EU accountable for regulatory burdens that actually originate from national policy choices, damaging the EU's reputation.

Tackling these barriers and reducing gold-plating is only possible in partnership with Member States. With this in mind, the Commission will work on a toolkit of best practices and criteria to help Member States identify and avoid gold-plating in the national transposition and implementation of EU legislation. This builds on the collective commitment to avoid gold-plating, expressed in the conclusions of the [European Council](#) of 19 March 2026. The Commission will also support Member States during the process of transposing directives, helping them to identify potential gold-plating risks early on.

Consultations, implementation dialogues held by Commissioners and reality checks will be used by the Commission to identify and examine implementation challenges in the form of gold-plating. Investigations under the Commission's 'focus areas for enforcement' (see dedicated section below) will also help detect instances of gold-plating.

Member States should also contribute to this evidence gathering. Already today, they can flag when their own national measures are more stringent than EU law in a database³¹, during or after transposing directives. However, in practice this option is not being used.

The Commission will boost the use of existing mechanisms and forums to tackle harmful barriers and gold-plating in the single market. The European Semester³² will play its part, by identifying key barriers and gold-plating issues in each Member State and pointing to instances that should be tackled as a matter of priority. The Commission will rely, among others, on the work of the Single Market Enforcement Taskforce, which has developed a collaborative approach, together with the Member States, to remove harmful barriers in the single market.

Finally, the Commission will also take into consideration the risk of gold-plating when making legislative proposals and formulate them in a manner that minimises that risk (for example, as appropriate, by prioritising exhaustive regulations over directives in areas of the single market, ensuring that EU rules exhaustively regulate the matter governed by the act).

³⁰ This is without prejudice to the prerogative of Member States to adopt more stringent measures in certain policy areas if so provided by the Treaties.

³¹ THEMIS is a shared database between the Commission services and the Member States in which national authorities notify their national transposition measures to the Commission.

³² The European Semester is the European Union's framework for the coordination and surveillance of economic and social policies.

Key actions

- Supporting Member States in their commitment to avoid gold-plating through a **toolkit with best practices** and **transposition guidance**.
- **Better and earlier detection** of instances of gold-plating, through Commission tools and together with Member States.
- Identifying key barriers and following up on gold-plating issues per Member State through the **European Semester** and the **Single Market Enforcement Taskforce**.

5. BETTER IMPLEMENTATION AND ROBUST ENFORCEMENT

Even the best rules fail to achieve their intended impact when implementation is fragmented, delayed, or inconsistent across Member States. Such shortcomings not only weaken the single market's integrity and undermine competitiveness but also erode trust in the rule of law, a foundation of the EU's legitimacy. This comes at a significant cost to people and businesses. Strong and predictable enforcement also underpins the Union's credibility in international partnerships and its ability to promote rules-based cooperation.

This Commission has taken key initiatives to strengthen the single market³³ and protect the rule of law³⁴. It has increased implementation support to Member States, providing them with the tools to implement EU law in time and correctly from the outset³⁵. However, credible and efficient enforcement is the backstop needed to achieve timely compliance with EU rules should preventive measures be unsuccessful.

Matching the scale of Europe's challenges and building resilience for the future, the Commission will ramp up enforcement of EU law. We will take measures for a faster and robust enforcement of EU law across all policy areas and ensuring equal treatment³⁶.

Single market focus areas for enforcement

The single market is the engine of European innovation, growth and competitiveness³⁷. Faced with unjustified barriers, diverging national rules and trading conditions, businesses are not achieving their full potential. These barriers distort competition and limit cross-border activity and investment.

³³ The Single Market: our European home market in an uncertain world: A Strategy for making the Single Market simple, seamless and strong, COM(2025) 500.

³⁴ Annual Rule of Law Cycle, https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/upholding-rule-law/rule-law/annual-rule-law-cycle_en.

³⁵ A simpler and faster Europe: Communication on implementation and simplification, COM(2025) 47

³⁶ This Communication complements but does not replace the enforcement priorities set out in earlier Communications, notably Commission Communication 'EU law: Better results through better application' (C(2016)8600) and Commission Communication 'Enforcing EU law for a Europe that delivers' COM(2022) 518.

³⁷ According to the European Central Bank, '[a] reduction of barriers for goods would lead to an increase in intra-EU trade of 4.4% and estimated welfare gains of 1.3%. However, lower trade barriers for services would achieve a larger increase in trade (14.5%) and a larger welfare increase (1.8%)', [article](#) published as part of the [ECB Economic Bulletin, Issue 8/2025](#).

This is why the Commission is stepping up its work on enforcing the single market rulebook. We have identified eleven single market focus areas for enforcement in Annex 2, based on their systemic and economic relevance. In these areas, the Commission will more proactively investigate all Member States and pursue identified issues, where necessary, through swift infringement procedures. The listed focus areas relate to issues with a serious impact on the functioning of the single market and a detrimental effect on European businesses. The Commission has identified these areas based on information collected from sources including implementation dialogues, citizens' and stakeholders' complaints, and systemic issues reported by SOLVIT centres operating across the EU to tackle individual cross-border problems. Addressing unlawful gold-plating will also form part of the enforcement of these focus areas³⁸.

The objective is to ensure compliance with single market rules as quickly as possible, using the right tool for each case. Investigations will rely on existing tools and draw on exchanges with Member States in expert groups, transposition workshops and, where necessary, targeted meetings. Implementation dialogues held by Commissioners and reality checks can also bring valuable input from those that are affected by EU rules in practice. The Commission will increase its use of pre-infringement dialogues with Member States to investigate potential breaches to single market legislation and where there is a realistic prospect of swift resolution in cooperation with the Member States concerned.

Where necessary, the Commission will launch an infringement procedure. This will happen either after an unsuccessful pre-infringement dialogue, or from the outset in serious and well-evidenced breaches. When an infringement procedure is launched, the goal is fast compliance, something that is reflected by the Commission's success rate early in the procedure³⁹.

If the Commission cannot reach a positive outcome with the Member State concerned, either in dialogue or in the pre-litigation stage of the infringement procedure, it will not hesitate to refer the case to the Court of Justice whenever appropriate. The progress and outcome of the Commission's enforcement action for those single market focus areas will be part of the Commission's annual reporting on simplification, implementation and enforcement.

Speeding up enforcement of EU law

Ensuring compliance with EU law is essential – not only for the effective functioning of the single market but also for upholding the EU as a community based on the rule of law. EU rules only deliver their intended benefits for people and businesses when Member States implement them correctly and on time. This is especially critical in times where the rule of law has come under pressure around the world and international trade is being distorted.

Nevertheless, too many directives are still not transposed on time. In 2025, almost 70% of new infringement procedures stemmed from late transposition of directives by Member States, preventing people and businesses from fully benefiting from EU law. That year, most Member

³⁸ The Commission's Annual Single Market and Competitiveness Report of 30 January 2026 (COM(2026) 46) announced an Annual Single Market Enforcement Agenda, which will be published every year. The enforcement priorities for 2026 are part of the eleven single market focus areas for enforcement included in this Communication. The focus areas are without prejudice to the strict monitoring of the implementation of EU rules in other priority areas, such as the rules to speed up the roll-out of clean energy, as set out in COM(2026) 370 of 22 April 2026 (AccelerateEU).

³⁹ Two thirds of infringement procedures are resolved at the first stage (after the letter of formal notice), while around 95% of cases are resolved before having to refer the case to the Court of Justice.

States systematically missed transposition deadlines, forcing the Commission to launch 370 infringement procedures covering the 36 directives to transpose.

While the Commission acts quickly to open infringement cases for late transposition, progressing and closing them often takes years. Cases involving incorrect transposition of directives and bad application of directives or regulations take even longer. In 2025, the average duration of an infringement case closed in that year was almost three years, and almost one fifth lasted over five years⁴⁰. Meanwhile, EU rules are applied inconsistently across Member States, creating uneven realities and legal uncertainty for people and businesses.

In this context, the Commission will be seeking to accelerate its enforcement actions in cases where directives are not being transposed. Where Member States fail to notify the Commission of transposition measures, it will simplify and speed up the adoption⁴¹ of reasoned opinions, which constitute the second stage in an infringement procedure following the letter of formal notice to the Member State. When a Member State fails to notify any transposition measure (full lack of transposition) or provides no additional notification once the infringement procedure has been launched (partial lack of transposition), the Commission will, as a rule, issue a reasoned opinion within six months after adoption of the letter of formal notice.

The Member States' obligation to provide sufficiently clear and precise information on the substance of national rules transposing a directive has been recalled by the Court of Justice in a well-established line of case-law⁴². The Court has underlined that such information is necessary for the Commission to determine if a Member State has fully transposed a directive. In recent years, the Commission has helped Member States to standardise and streamline the submission of such explanations⁴³ and will continue offering support. However, if a Member State fails to provide the necessary explanations, the same simplified procedure as in the case of failure to notify transposition measures referred to above will be applied.

Similarly, the Commission will take a stricter approach to requests from Member States to extend the two-month deadline for replying to a letter of formal notice⁴⁴ (in all types of infringement procedures). In future, extensions will generally only be granted at the reasoned opinion stage, provided that Member States acknowledge the breach and meet established cumulative conditions⁴⁵ which will be assessed strictly. At the letter of formal notice stage, limited extensions to the deadline for replying will be granted only in very exceptional circumstances, such as cases of force majeure, where unforeseeable events prevent the Member State from replying in time.

⁴⁰ <https://ec.europa.eu/implementing-eu-law/member-state-infringement-cases/en#inline-nav-10>

⁴¹ Notably by a more frequent use of the empowerment procedure for the adoption of decisions in an infringement procedure.

⁴² Seminal judgment of the Court of Justice of 8 July 2019, *Commission v Belgium*, C-543/17, ECLI:EU:C:2019:573, paragraph 59.

⁴³ For example, by providing Member States with a template they can use to present the explanation.

⁴⁴ The purpose of the letter of formal notice is to seek the Member State's observations on the Commission's findings, often after pre-infringement dialogues or bilateral exchanges. Unjustified delays hinder the Commission's assessment and risk unequal treatment between Member States.

⁴⁵ The request must include a realistic and sufficiently clear timetable of the measures to be taken; the request must be intended to allow the Member State to take the measures necessary to comply with the reasoned opinion; there can only be one request to extend the deadline for replying; the request must reach the Secretariat-General before the initial deadline expires; and the additional time granted may not exceed three months.

By the end of the Commission’s mandate, it aims to have reduced the number of long-standing infringement cases. To achieve this, it will focus on cases open for over five years that have not yet been referred to the Court of Justice. Member States’ efforts and their collaborative attitude will be key to resolve such cases.

Harnessing artificial intelligence

Another way to speed up enforcement is by accelerating compliance checks of national transposition measures. National legislation reflects each Member State’s unique constitutional, procedural and administrative system, and checking these measures requires time and resources. In this context, the Commission will introduce the use of dedicated AI tools to assist in checking how Member States transpose EU law. These tools will also help the Commission to identify potential instances of gold-plating, contributing to a more systematic assessment across Member States. In 2026, the Commission will start a pilot project for the compliance checks of national transposition measures. AI will support – not replace – human assessment and will be subject to strict safeguards⁴⁶. Member States are encouraged to also use AI to accelerate their transposition and monitoring work.

Strengthening deterrents

Robust enforcement requires credible deterrents. After identifying and investigating a breach of EU law, all parties must work together to resolve it. If this fails and the Member State still does not comply, the Commission may, in two situations⁴⁷, introduce a procedure before the Court of Justice with a request to impose financial sanctions.

In cases where a directive’s transposition is incomplete, the Treaties provide for financial sanctions already when the Commission refers a Member State for the first time to the Court of Justice. In this case, the Court in its judgment cannot go beyond the amount proposed by the Commission. If a Member State fails to comply with the first judgment and has to be referred a second time to the Court of Justice, the Court enjoys wide discretion to decide on a higher amount than that proposed by the Commission (and has done so in recent years). The failure to transpose impedes the application of the directive in the national legal order, meaning that people and businesses are deprived of the rights and advantages conferred by a directive⁴⁸.

In view of the above and of the need to ensure sufficiently dissuasive financial sanctions against Member States, the Commission will be systematically more stringent when calculating the penalties to be proposed to the Court, leading to higher amounts.

⁴⁶ Excluding any risks of automated decision-making and ensuring good administration.

⁴⁷ Notably (i) where a Member State has not taken the necessary measures to comply with an earlier judgment of the Court finding an infringement of EU law (Article 260(2) TFEU), and (ii) where a Member State has failed to fulfil its obligation to notify measures transposing a directive adopted under a legislative procedure (Article 260(3) TFEU).

⁴⁸ The case-law of the Court of Justice on non-communication infringements consistently recalls that ‘the obligation[s] to [transpose/notify] are fundamental obligations incumbent on the Member States in order to ensure optimal effectiveness of EU law and that failure to fulfil those obligations must, therefore, be regarded as definitely serious (judgment of 25 April 2024, *Commission v. Poland*, C-147/23, ECLI:EU:C:2024:346, paragraph 72).

Working with Member States to achieve better compliance

Removing existing barriers is only half the challenge – preventing new ones is equally important. With rapidly evolving legislation, limited resources and the need for rapid response to crises, it is crucial that new rules are correctly implemented from the outset.

The Commission strongly believes in a shared responsibility with Member States to achieve full compliance with EU law. During implementation, the Commission provides strong support to Member States in the form of implementation strategies, transposition roadmaps, tailored guidance and dedicated working groups. In turn, Member States should engage proactively with the Commission by sharing implementation challenges early. In this way, fragmented implementation of EU legislation can be avoided.

Over time, the number of new directives has declined, while regulations as a legislative tool are becoming more important and require different monitoring approaches. In this context, the Commission and Member States will need to strengthen their monitoring of the implementation and application of EU regulations. In 2026, the Commission will develop a new IT tool to provide a single-entry point for Member States to communicate with the Commission and to notify national implementing measures within the deadlines set in the regulations (for example when they designate competent authorities). The tool will also help the Commission to provide systematic implementation guidance to Member States and to carry out a systematic oversight of the implementation and application of regulations.

However, not all barriers stem from poor EU law implementation. Many arise from unilateral national rules. Effective cooperation also means that Member States should refrain from introducing national rules that could become problematic to the well-functioning of the single market and a consistent implementation of EU rules.

To reduce legal fragmentation, the Commission will enhance the use of existing tools such as the Single Market Transparency Directive⁴⁹ and the Services Directive⁵⁰, which require Member States to notify draft national measures and explore further improvements to these procedures. These provisions are powerful mechanisms to prevent incompatibilities with EU law at an early stage, before the national measures have been adopted, thus eliminating the need for future enforcement work and bringing efficiency gains for both the Commission and the Member States.

Under the transparency system created by the Single Market Transparency Directive, Member States must notify draft measures concerning certain products and services before they adopt them. The Commission reviews these drafts against EU law, with equal participation by all Member States, who can submit their own assessments. A three-month ‘standstill period’ applies after notification, during which the notifying Member State cannot adopt the measure. This allows time for feedback and adjustments. Stakeholders are fully informed through the ‘TRIS’ platform and can provide meaningful feedback to prevent barriers at national level.

For national measures falling under the notification obligation of the Services Directive, no standstill period applies but the Commission is engaging the Member States to voluntarily

⁴⁹ Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services (OJ L 241, 17.9.2015, p. 1).

⁵⁰ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ L 376, 27.12.2006, p. 36).

notify measures as much as possible at a draft stage, to increase the preventative impact of the notifications.

In recent years, the Commission has flagged up compliance concerns in draft measures, in particular in the agri-food, digital services and environmental sectors. However, not all Member States have addressed these issues.

Taking full advantage of this preventive tool, the Commission will systematically launch infringement procedures if identified breaches remain unresolved. It will also ensure full compliance with the Single Market Transparency Directive by taking enforcement action when Member States ignore procedural requirements (e.g. if they do not comply with the standstill period) or do not notify their draft acts. The Commission will proceed in the same manner as regards similar provisions that might be introduced in future legislation, as part of the enforcement by design efforts.

Finally, in addition to the above measures, the Commission will, under the next financial framework and in particular for measures in the context of the National and Regional Partnership Plans, pay especial attention to the respect of obligations under EU law, especially in relation to the proper functioning of the single market.

Key actions

- Resolving identified issues in the **single market focus areas for enforcement** swiftly and referring the persisting issues to the Court of Justice, where appropriate.
- **Faster infringement procedures** over incomplete transposition of directives, through quicker reasoned opinions and systematic follow-up where Member States have not provided explanatory documents.
- **Fewer extensions of deadlines** for Member States to reply to the Commission in infringement procedures.
- Introducing the use of dedicated **artificial intelligence tools** to assist in speeding up transposition assessments, thus reducing administrative burdens without compromising accuracy and ensuring strict safeguards.
- **Reducing the number of long-lasting infringement cases** by the end of this Commission's mandate, with a particular focus on cases open for over five years that have not been referred to the Court of Justice.
- More **dissuasive financial penalties** against Member States proposed to the Court of Justice.
- Besides the existing scrutiny of the transposition of directives, **better monitoring of EU regulations** through a new IT tool to centralise Member State notifications where relevant, and to systematise implementation guidance and strengthen oversight by the Commission.
- **Better prevention of breaches of single market rules**, making use of notification requirements under the Single Market Transparency Directive and the Services Directive.



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ANNEX 1

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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
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A Simpler, Clearer and Better Enforced EU Rulebook

ANNEX I

Regulatory Deep Cleaning Action Plan

The Commission continues to advance ambitious initiatives that provide benefits to citizens and businesses, upholding the Union's high standards. To complement these efforts, simplifying EU laws, minimising compliance burden, addressing inconsistencies and implementation challenges are also important for achieving the Union's policy objectives.

The gradual expansion of the body of EU law has significantly contributed to achieving key policy objectives, responding to new challenges and evolving realities. At the same time, its pace and breadth have increased the need to ensure coherence and consistency, avoid duplication, and ensure that rules deliver on their intended goals with high efficiency.

For that reason, each Member of the College is carrying out a comprehensive screening of the EU laws under their responsibility. They stress test all policy areas to facilitate implementation of EU law and make it more efficient.

Building on this, the Commission announced in February 2026 that it would undertake a regulatory deep cleaning. This exercise will help ensure improved regulatory efficiency of the body of EU law in priority areas. Its overall aim is to modernise and simplify these areas to ensure that they are fit for purpose, improving transparency, decreasing burdens and fostering predictability to strengthen competitiveness and innovation.

This Action Plan presents strategic actions across 12 key policy areas – free movement of goods and services, financial services and banking, customs, taxation, health and food safety, agriculture, transport, energy, climate, environment, digital, and housing and permitting. These areas will be examined as a matter of priority in 2026 and 2027.

The regulatory deep cleaning may result in legislative or other regulatory proposals, support measures, repeals, withdrawals or other actions to address outdated provisions, overlaps, inconsistencies or redundant requirements that generate unnecessary burdens, and foster consolidation. This Action Plan will therefore enhance, in key areas, the effectiveness of EU regulation by reducing unnecessary complexity and fragmentation.

Free Movement of Goods and Services

A comprehensive regulatory deep cleaning of product legislation will aim to facilitate cross-border market access, reduce administrative burdens, and enhance transparency and accountability.

The European Product Act will simplify and align EU product rules to make it easier to sell goods in across borders, reduce administrative burden for businesses, and improve transparency and accountability. It will remove overlaps and inconsistencies between existing laws and introduce, digital product information to enable better data sharing and more effective enforcement. It will also align with the general product safety requirements for non-harmonised products, ensuring a more coherent, consistent and efficient framework across the single market.

Following this, sector-specific legislation will be updated through an Omnibus to incorporate the common definitions, rules including on the use of harmonised standards to provide presumption of conformity, and simplified procedures set out in the European Product Act.

In the area of public procurement, the EU acquis contains many pieces of legislation setting requirements on substance and procedure for public procurement. While most of these play a facilitating role, regulatory deep cleaning would increase clarity and consistency, thereby facilitating implementation both for public administrations and public contractors. The Public Procurement Act will simplify procedures and eliminate overlaps and duplications with the numerous sectorial procurement rules in EU law. Repealing redundant procurement provisions from sector-specific acts will streamline legislation and ensure coherence.

Financial Services and Banking

A comprehensive regulatory deep cleaning of banking rules will simplify and streamline them, and advance the single market in banking - thereby enhancing the competitiveness of EU banks and the wider EU economy, while preserving prudential and financial stability. The forthcoming Banking Competitiveness Report will outline a series of measures aimed at reforming the banking rules and reducing the duplications and overlaps between microprudential, macroprudential, and crisis-management frameworks, reducing fragmentation in the single market, facilitating cross-border consolidation, and enabling EU banks to scale up and succeed in a globalised economy also in the future. The State Aid Banking Communication will simplify the existing rules, including by consolidating the existing instruments into a single rulebook.

The rules for venture and growth capital funds will be adapted to identify opportunities for simplification and reducing administrative burdens, facilitating investment and promoting growth. Moreover, the Shareholder Rights Directive will be streamlined to ensure predictability and legal certainty across the Union. Simplifying the Taxonomy technical screening criteria, streamlining Taxonomy disclosures and simplified sustainability reporting standards and voluntary standards, based on the ongoing review, will help ensure that the financial sector is competitive and remains aligned to high standards of environmental and social responsibility.

Customs Union

Based on an evaluation, a regulatory deep cleaning of the EU non-preferential rules of origin, will consider the grouping of such rules in a single body of legislation, simplifying the current regulatory landscape and reducing administrative burdens, while ensuring that the legislation is 'fraud proofed'. It will address the proliferation of origin or quasi-origin provisions in various acts. This will render rules of origin easier to implement, with a higher degree of legal certainty. Additional simplification measures could include the replacement of certain paper forms and certificates with electronically issued ones, promoting a more digital and efficient customs environment.

In parallel, the Autonomous Tariff Suspensions and Quotas Scheme will be revised, based on an evaluation, to streamline and simplify administrative arrangements, reducing legislative and administrative burden compliance costs. This simplification exercise will seek to clarify and streamline the requirements to grant tariff relief, reduce the frequency of regular legal updates, and leverage digitalisation to improve efficiency and remove legislative duplicates.

Taxation

As part of the Union's comprehensive efforts to strengthen its tax framework, the taxation omnibus will further simplify and streamline tax laws. It will include the overhaul of six direct taxation directives that will tackle excessive tax compliance requirements, unequal tax treatment, national tax barriers that hinder cross-border business, hamper the internal market and create issues of legal certainty, while furthering existing policy objectives.

Furthermore, the recast of the directives on administrative cooperation in the field of direct taxation (DAC) will aim to reduce complexity, improve legal clarity and certainty for stakeholders, including tax administrations, reporting entities and taxpayers. It will ensure that reporting and notification obligations are proportionate and targeted, preserving our policy objectives of tackling tax evasion and avoidance, while eliminating unnecessary burdens. It will also improve the effectiveness and usability of information, enabling tax administrations to identify taxpayers and use data to drive risk assessment and compliance monitoring.

Health and Food Safety

A review of the food safety regulations will look at areas for simplification and improvement, while maintaining a high level of protection of human health. An in-depth study will gather key data in support of this exercise, including for composite products, food donation, and double food authorisation.

Furthermore, the e-submission food chain will undergo digital updates to simplify and remove duplication for economic operators, streamlining communication channels and reducing delays during the intake phase. This will enable faster and more efficient interactions between operators, ultimately benefiting consumers and promoting a more competitive food industry. Additionally, the simplification of procedures for IT tools will facilitate the submission of marketing authorisation dossiers, reducing administrative burdens and promoting innovation.

In the realm of biocidal products, a potential revision of the legal framework will be explored, building on an implementation dialogue, reality check, and evaluation, to identify opportunities for simplification and improvement.

Agriculture

The planned consolidation of legislation on geographical indications and quality schemes will reduce administrative burden and make EU laws more accessible and easier to navigate. Currently the rules governing geographical indications are scattered across multiple regulations, including the main Geographical Indications Regulation and the Common Organisation of the Markets in Agricultural Products Regulation. Additionally, the consolidation of delegated acts in the wine sector will further simplify the regulatory landscape.

Several obsolete and redundant legal acts will be repealed, including the Commission Decision on the scientific group of experts for designations of origin, geographical indications, and traditional specialities.

The promotion policy will in addition be simplified, with a focus on reducing reporting obligations for Member States and introducing lump sums, making it easier for them to implement promotion measures for agricultural products.

Transport

A regulatory deep cleaning will comprise all modes of transport, with the goal of eliminating unnecessary requirements and simplifying rules on key aspects such as on interoperability. Further digitalisation within the transport sector will also be pursued and has the potential to identify additional solutions for simplification.

This exercise will consider certain obligations stemming from RefuelEU Aviation to enhance clarity and transparency, with the aim to simplify the regulatory environment and promote a more efficient and competitive industry, while upholding the level of ambition and predictability of investments.

For road transport, the removal of obsolete obligations will be accompanied by a public service obligation initiative, while a revision of the EU Agency for Railways will seek to optimise processes.

Energy

A comprehensive review of the energy governance framework will help reach the full potential of the Energy Union. The revision of the Regulation on the governance of the energy union and climate action will reduce reporting requirements for Member States, leveraging existing data and digitalisation to eliminate redundant obligations and streamline provisions. In addition, while setting the renewable energy and energy efficiency framework for the decade ahead, the Commission will seek opportunities to simplify the current framework by eliminating duplications and overlaps, and reducing administrative burden, in order to streamline measures for Member States and economic operators while preserving the policy objectives or investor confidence, and to promote a more efficient and integrated energy system.

In the area of security of supply, the revision of the energy security framework based on a comprehensive fitness check should yield clearer procedures, reduced reporting requirements and enhanced cross-border cooperation between Member States, while integrating all types of gas and electricity into a holistic whole-of-system approach. The revision will also bolster resilience against modern threats, including climate-related disruptions, cyber-attacks, and geopolitical shifts by streamlining procedures, reducing reporting processes, and developing a more agile crisis management mechanism.

Climate

The revision of the EU Emissions Trading System will aim to identify and remove outdated provisions, simplifying monitoring, reporting, and verification of emissions for operators, and introduce a ‘monitoring-and-reporting-only-once’ principle. In addition, the directive has been amended multiple times since its adoption and will be codified.

In parallel, the regulatory deep cleaning will look into merging the Land use, land use change and forestry Regulation and the Effort Sharing Regulation into a single instrument on national climate targets. It will also reduce duplication and streamline Member States’ reporting obligations, while maximising synergies between carbon removal reporting at national and land manager levels.

The review of the Heavy-Duty Vehicles CO₂ standards will seek opportunities to further streamline monitoring and reporting provisions for Member States and industry, ensuring a more efficient and effective approach to reducing greenhouse gas emissions and promoting a low-carbon economy.

A regulatory deep cleaning of EU rules on carbon accounting will aim to achieve a coherent definition of the carbon intensity of supply chains and ensure that deviations from the coherent definition are well-justified. This will eliminate discrepancies and contradictions arising from piecemeal choices, including for example on battery, hydrogen, recycled fuels, and eco-design.

Environment

The forthcoming Circular Economy Act will address significant obstacles to the smooth functioning of the single market, particularly with regards to the placement of products on the market in multiple Member States and will improve the management of waste and the valorisation of secondary raw materials.

Furthermore, the Marine Strategy Framework Directive will be revised to simplify implementation, reduce administrative burdens, and safeguard the protection and sustainable use of the marine environment. The revision provides an opportunity to achieve closer synergies with the preparation of the Ocean Act, building on the revision of the Maritime Spatial Planning Directive, including the potential for the consolidation of the legal framework.

Digital

The regulatory deep cleaning of horizontal and sectoral digital legislation will seek to deliver regulatory simplification in digital areas crucial for Europe's competitiveness.

A Digital Fitness Check is being conducted to assess the cumulative effects of the digital rulebook on the EU's competitiveness, identifying synergies, and good practices, mapping applicable rules, reducing redundancies and duplications, and closing gaps.

A key part of the Fitness Check is to examine the governance of the digital rules, and seek opportunities to strengthen their implementation and enforcement, not least to bring more coherence, consistency and predictability to businesses. It will look at best practices in consultation processes, cooperation among authorities, consistent enforcement and prevention of contradictory interpretations, and the reduction of administrative burdens.

The revision of the Audiovisual Media Services Directive will modernise and simplify rules for ensuring viewer protection and media pluralism.

The regulatory deep cleaning of horizontal and sectoral digital legislation will look at the interplay of different rules, assessing how they interact and how their overlay impacts businesses from different sectors. It will focus on ensuring an efficient framework that streamlines requirements and eliminates overlaps, while preserving sector specificities. It will build upon existing simplification efforts including under the Digital Omnibus, and interface with evaluations of specific acts run in parallel.

A wide-range of sectors are covered by general cybersecurity rules, as well as sector-specific regulations – such as the Directive on Security of Network and Information Systems, the Digital Operational Resilience Act, and the Regulation on Electronic Identification and Trust Services. When adopted by the co-legislators, the solution for incident reporting proposed in the Digital Omnibus will deliver an urgently-needed key operational step towards increased coherence.

The harmonisation of reporting requirements through digital tools, including the extension of the one-stop-shop and the revision of the Internal Market Information system, will facilitate the exchange of information, registration and payment. The eInvoicing harmonisation will address fragmentation and reduce burdens by enabling the re-use of data.

Housing and Permitting

The Commission will present a Housing simplification package in 2027 with the aim to facilitate the supply of affordable, sustainable and quality housing. This will be based on a comprehensive mapping of relevant EU legislation and initiatives. It will identify opportunities to reduce unnecessary administrative burdens, accelerate processes and improve cost efficiency, while respecting wider policy goals. The package will also provide support to Member States in the effective implementation of relevant EU rules.

More widely, as regards permitting, in December 2025, the Commission has presented a proposal to accelerate environmental assessments including through single points of contact, digital portals, and deadlines.

Based on this proposal, the Commission will work with the co-legislators to strengthen a comprehensive cross-sectoral approach, while maintaining environmental and health policy objectives.



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ANNEX II

Single market focus areas for enforcement

Unjustified barriers to the single market, diverging national rules and uneven trading conditions across Member States deter businesses from achieving their full potential, undermining Europe's competitiveness. This is why the Commission is stepping up its work on enforcing the single market rulebook, targeting several single market focus areas for enforcement.

The Commission has selected the below focus areas based on identified or suspected implementation shortcomings, the enforceability of the identified issues, and the expected benefits for businesses and the functioning of the single market¹. The Commission will proactively investigate and pursue these focus areas for all Member States, if necessary, through infringement procedures.

Free movement of goods

1) Product labelling

Rules on labelling allow the consumer to use a product safely and give information on product identification, origin and environmental impact. The EU has exhaustively harmonised these rules in many areas such as toys, cosmetics, machinery, construction and health products. Additional or divergent rules in Member States can lead to fragmentation of the single market and hamper the seamless distribution of products across the EU, raising costs for consumers.

Issue: National labelling requirements must be notified to the Commission as draft technical regulations prior to their adoption². There has been a proliferation of labelling requirements in recent years, and this requires a closer assessment of the compatibility of such measures with, as applicable, harmonised EU provisions or the principle of free movement of goods³. The Commission's proactive enforcement action will focus on issues in particularly problematic areas such as the labelling for textiles or the labelling for waste sorting.

Expected benefits of focused enforcement: Full compliance with EU rules on labelling requirements across all Member States will lower compliance costs for businesses.

¹ The identified focus areas relate to issues with a serious impact on the functioning of the single market and a detrimental effect on European businesses. The Commission has identified these areas based on information collected from sources including implementation dialogues, complaints by members of the public, and systemic issues identified through the SOLVIT centres operating across the EU to tackle individual cross-border problems.

² Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services.

³ Articles 34 and 36 TFEU.

2) Circular economy, packaging and waste

EU rules on waste and packaging⁴ aim for a more circular economy throughout the EU and minimise the quantities of packaging and waste generated. They lower the use of primary raw materials and contribute to a sustainable and competitive economy. All packaging on the EU market should be recyclable in an economically viable way by 2030, safely increasing the use of recycled plastics in packaging and decreasing the use of virgin materials.

Issue: Several Member States apply the Directives incorrectly and have not reached the waste recycling targets for municipal waste and packaging waste, which is critical to the availability of secondary raw materials for incorporation in new products.

Expected benefits of focused enforcement: Achieving these targets will foster the single market for secondary raw material, enhance circularity and EU competitiveness by reducing the EU's dependence on imports from third countries. Increased recycling also reduces landfilling, further supporting resource efficiency, circularity and strategic autonomy within the EU.

3) Empowering consumers through electricity demand response

High energy prices undermine the competitiveness of businesses and increase people's cost of living. EU rules on demand response, flexibility and aggregation, and smart meters under the Electricity Directive⁵ play an important role for delivering a fully functional, competitive and environmentally sustainable EU internal electricity market. These rules make it possible for domestic and industrial consumers to adjust or reduce their electricity usage in response to higher prices, reduce spikes in wholesale prices and lower electricity system costs.

Issue: Several Member States are late in fully and correctly transposing the requirements of the Electricity Directive on demand response, flexibility and aggregation, as well as the roll-out of smart meters.

Expected benefits of focused enforcement: By adapting electricity consumption in response to market signals, there will be fewer spikes in electricity wholesale prices and lower electricity prices and network charges for households and businesses.

Free movement of people and services

4) Posting of workers

EU rules on the posting of workers⁶ regulate situations where an employee is sent by their employer to carry out their work for a limited period in the territory of an EU Member State other than where they normally work. Implementing these rules ensures the protection of

⁴ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directive; Directive (EU) 2018/852 of the European Parliament and of the Council of 30 May 2018 amending Directive 94/62/EC on packaging and packaging waste.

⁵ Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU.

⁶ Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation').

posted workers, safeguards the freedom to provide services, creates a level-playing field for service providers and helps combating social dumping and fraud. It also requires that the administrative requirements imposed by Member States – to ensure effective monitoring of compliance with the obligations set out in the Enforcement Directive and the Posting of Workers Directive – are justified and proportionate in accordance with the Union law.

Issue: There has been considerable progress to ensure the correct transposition of the Enforcement Directive on the Posting of Workers. While the Commission already pursues infringement procedures, continued action is needed to guarantee respect for an appropriate level of protection of the rights of posted workers, the exercise of the freedom to provide services, and promote fair competition between service providers, thus supporting the functioning of the single market.

Expected benefits of focused enforcement: The Commission will continue its efforts to ensure the correct transposition of the Enforcement Directive. The enforcement of the posting rules will also include strengthening the mandate of the European Labour Authority⁷.

5) Construction and installation services related to the green transition

The construction sector represents around 11% of the EU GDP and is essential to supply housing and to renovate Europe's ageing building stock. Deploying renewable energy equipment and improving the energy efficiency of buildings is economically important and crucial for a successful green transition. Both the increased demand for housing and the green and digital transition are substantially increasing demand for specialised and highly skilled service jobs in the construction sector⁸. The Services Directive⁹ aims to ensure that national rules are proportionate and facilitate the cross-border movement of services.

Issue: Many national certification or authorisation schemes for construction and installation services of energy efficiency and renewable installations and, more generally, national regulation of construction services do not fully comply with the Services Directive. These shortcomings are a major cause of the fragmentation in the single market for construction. While labour and skills shortages in the construction sector are now three times higher than they were a decade ago¹⁰, only 1% of construction services are provided cross-border within the EU. This contributes to high costs, adding to the crisis of affordability in housing.

Expected benefits of focused enforcement: A 10% reduction of barriers in construction services would increase EU gross value added by 0.5%. Reducing obstacles for construction and installation service providers will facilitate cross-border business activities, the entry into new markets and the scaling up, in particular for SMEs.

⁷ In addition to the enforcement actions, the Commission will continue working with the co-legislators to facilitate the adoption of the proposal for a public interface connected to the Internal Market Information System for the declaration of posting of workers (also known as the e-Declaration).

⁸ COM(2025) 991 - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - The European Strategy for Housing Construction: a more competitive and productive construction industry.

⁹ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market.

¹⁰ European Centre for the Development of Vocational Training (CEDEFOP) Skills Forecast.

6) Interoperable European railway systems

The 4th railway package¹¹ provides for common European standards for train vehicles, infrastructure and train operation. The 2024 TEN-T Regulation¹² provides for European train control and signalling systems by 2030. These rules are crucial for smooth and affordable cross-border railway services across Europe, both for passengers and freight.

Issue: Member States have not yet removed all national technical and safety rules on train vehicles, infrastructure and train operation that have been superseded by European specifications or standards under the 4th railway package. There are also delays in achieving the 2030 target for common train control and signalling systems, which risks a bad application of 2024 TEN-T Regulation.

Expected benefits of focused enforcement: Full compliance with EU rules will mean a safer and more interoperable European railway network, opening both the passenger and freight rail markets to more competition, improving the service offer and reducing their prices. This will help both citizens using rail transport and businesses that use freight transport, especially those who wish to reduce the carbon footprint of their transport. European standardisation (standardised and reuseable engineering, harmonised operational rules) will allow for economies of scale foreseeable investment cost will and attract new rail market entrants.

7) Multimodal travel information services

EU rules¹³ require Member States to ensure the access to data such as aviation, rail or public transport timetables and fares using common EU standards. The information is necessary for multimodal journey planners for European travellers. It is also a pre-requisite for the development of new services such as online ticketing for multimodal travel.

Issue: For many Member States, datasets on aviation, rail or public transport are not accessible via their national access point and/or in the right standard for data exchange, resulting in bad application of EU rules.

Expected benefits of focused enforcement: Access to multimodal data enables increased digitalisation of transport systems, which is a key driving force in the Single European Transport Area and the Single European Railway Area, to improve connectivity across modes and networks. Multimodal travel will increase destination accessibility and territorial cohesion by better connecting regions, including peripheral and rural areas, to core economic centres. Service providers will be able to develop more integrated, user-friendly, and competitive travel solutions.

¹¹ Directive (EU) 2016/798 of the European Parliament and of the Council of 11 May 2016 on railway safety and Directive (EU) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union.

¹² Regulation (EU) 2024/1679 of the European Parliament and of the Council of 13 June 2024 on Union guidelines for the development of the trans-European transport network.

¹³ Commission Delegated Regulation (EU) 2017/1926 of 31 May 2017 supplementing Directive 2010/40/EU of the European Parliament and of the Council with regard to the provision of EU-wide multimodal travel information services.

8) Late payments

Most goods and services are supplied within the single market on a deferred payment basis whereby the supplier gives its client time to pay the invoice. Specific rules exist as regards commercial transactions for the supply of goods or services by undertakings to public authorities¹⁴. These rules aim to ensure the proper functioning of the single market and protect SMEs from the negative impact of late payments on their cash flow.

Issue: Still today, across the EU, Member States still apply the Directive incorrectly and many payments in commercial transactions between economic operators and public authorities are made later than agreed. Delays negatively affect liquidity and complicate the financial management of undertakings. It also affects their competitiveness and profitability when the creditor needs to obtain external financing because of late payment. 73% of SMEs report suffering from late payments, hampering their growth and investment potential and threatens their survival.

Expected benefits of focused enforcement: Ensuring the respect of EU rules on timely payments by public authorities will ensure a more reliable and secure environment for economic operators and specifically SMEs.

Freedom of establishment and free movement of capital

9) Digitalisation of company law and cross-border mobility of companies

EU rules make it possible to set up new companies and to register new branches online¹⁵. The EU also arranges for harmonised procedures for cross-border mergers, divisions and conversions¹⁶. In the area of taxation, the EU provides for tax neutral treatment in case of company restructuring and dividend payments streams in group companies¹⁷.

Issue: Commission assessment points to possible shortcomings in the transposition of the Directives on company law digitalisation and on cross-border mobility by several Member States. In the area of taxation, Member States tax dividend and payment streams as well as mergers, divisions and acquisitions differently, meaning an incorrect application of the Parent Subsidiary Directive and the Tax Merger Directive. Tax incentives for employment, research and development face in certain instances also unjustified territorial restrictions.

Expected benefits of focused enforcement: Ensuring full and correct transposition of EU rules on company law digitalisation and on cross-border company mobility into national law and their effective implementation in practice will streamline online business establishment, enabling a more efficient setting up of new companies and registration of new branches

¹⁴ Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions.

¹⁵ Directive (EU) 2019/1151 of the European Parliament and of the Council of 20 June 2019 amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law.

¹⁶ Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions.

¹⁷ Council Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States and Council Directive 2009/133/EC of 19 October 2009 on the common system of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States and to the transfer of the registered office of an SE or SCE between Member States.

within the EU. This will reduce administrative costs and ensure efficient cross-border restructuring with full legal certainty. Less fragmentation of company taxation rules will increase competitiveness and investment for mid-sized and larger companies operating across the single market. Ensuring wider access to tax incentives by companies will drive investments to innovation, boosting competitiveness and employment.

10) Bank consolidation

A resilient, diversified and strong banking sector benefits the overall economy and is vital for the Savings and Investments Union, as it supports more efficient capital allocation, strengthens cross-border activities and improves access to financial products at competitive prices. Consolidation in the sector enables banks to achieve scale, diversify risks and operate more efficiently across Member States, it contributes to a more resilient, stable and predictable banking environment, allowing banks to compete in international markets.

Issue: Bank consolidation is market driven. Mergers and acquisitions in the banking sector need to be assessed in a fair, transparent and proportionate manner, without undue impediments. A close monitoring from the Commission will preserve the EU's system of prudential supervision within the single market and influence market changes in due time. Additionally, several Member States are late to transpose EU rules aiming to create a more uniform regulatory environment for banking activities in the EU¹⁸.

Expected benefits of focused enforcement: Bank consolidation benefits the overall economy and is supportive of the Savings and Investments Union, contributing to efficient capital allocation and access to financial products at optimal prices.

11) Savings and investment

The Commission supports measures to create better opportunities for citizens who wish to invest, which is a key pillar of the Savings and Investments Union Strategy¹⁹. In particular, Savings and Investment Accounts, based on user-friendly platforms to invest and which may be coupled with simplified tax compliance procedures and advantageous tax treatment, have already shown significant potential in several Member States for channeling more savings towards investments.

Issue: There are measures in several Member States, that make for example, financial and tax incentives conditional upon investments into national markets or products. This conditionality may raise questions as to its justification and may in certain cases ultimately create cross-border discrimination. This can unduly complicate the provision of investment services and the offer of Savings and Investment Accounts by providers on a pan-European basis and lead to limitations on investment opportunities for citizens and hamper the free movement of capital.

Expected benefits of focused enforcement: Capital market-based investments have greater potential to outpace inflation and offer higher returns than other types of savings, notably

¹⁸ Directive (EU) 2024/1619 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks.

¹⁹ Commission Recommendation on Increasing the Availability of Savings and Investment Accounts with Simplified and Advantageous Tax Treatment - C/2025/6800 final.

bank deposits. Removing barriers negatively affecting citizens will increase retail participation in capital markets which will in turn foster more liquid capital markets which can better serve the financing needs of EU companies.